ANNEXURE III.

OFFICIAL MEMORANDUM

No. FD 218 BUD 60, DATED BANGALORE, THE 20TH SEPTEMBER 1961
(BHADRAPADA 29, SAKA ERA 1883).

Subject :—**New Items—Instructions regarding.**

Kind reference is invited to para 9 of the Government Order No. FD 139 BUD 61, dated 28th July 1961 setting forth the Calendar for Budget work 1962-63. The para deals with the treatment of New Items of expenditure while proposing the Budget Estimates for the next year. Unless proper details are given, it is difficult to determine whether a particular item is a New Item or not. Since the Budget work has to be completed within the prescribed dates, there will be no time for back references for obtaining clarification. All the Heads of Departments are therefore requested to see that all the relevant details are given. It is requested that the details should be furnished in the enclosed form.

It is further requested that the New Items, containing requisite particulars, may be forwarded separately along with the Budget Estimates. It should be seen that no New Items are included in the normal Budget proposals.

T. K. RANGARAJA IYENGAR,
Under Secretary to Government,
Finance Department (Budget).

To—The Secretaries to Government.
The Heads of Departments.
The Divisional Commissioners.
The Chief Engineers.
The Deputy Commissioners.

FORM

Head of Account.

Brief Heading of the Item.

Recurrent cost (Rs.)

Non-recurrent cost (Rs.)

Ultimate Recurrent cost (Rs.)

Brief Description.

Details of Recurrent and Non-recurrent cost.

Recurrent.

Non-recurrent.

GOVERNMENT OF MYSORE

FINANCE DEPARTMENT

PRESS NOTE

Dated 8th July 1963.

COMPULSORY DEPOSIT SCHEME

New facilities for making deposits

With a view to simplify the working of the Income-tax Payers and Employees Compulsory Deposit Schemes which have come into force with effect from 1st July 1963, and to relieve the congestion at the Post Offices and branches of the Reserve Banks of India, the Government of India have announced a number of important procedural changes. These are briefly summarised below :

2. The following Scheduled Banks having an All-India character have been authorised with effect from 1st August 1963 to maintain the accounts of compulsory deposits in the same way as in the Post Offices and branches of the Reserve and State Banks of India.

CENTRAL BANK OF INDIA.
PUNJAB NATIONAL BANK.
UNITED COMMERCIAL BANK.
BANK OF BARODA.
BANK OF INDIA.
DEVAKARAN NANJEE BANKING CO.
UNITED BANK OF INDIA.

The time limit for the remittance to the deposit offices of the deposits recovered by the Employers from the salaries of their employees in July 1963 has been extended from 14 to 15 days. In order that this extension may not involve any loss of interest to the depositors, interest on all such deposits will be allowed with effect from 1st August 1963. Employers can during this period arrange for opening of the accounts at any post office, Departmental sub-post offices, offices of the Reserve Bank of India, branches of the State Bank of India, State Bank of Mysore and State Bank of Hyderabad and branches of the Scheduled Banks mentioned above.

3. It has been further decided to allow factories and establishments, which have been exempted under Section 17 of the Employees' Provident Funds Act. to maintain the individual accounts of Compulsory Deposits recovered from their employees. They will have to open only a single account in the name of the factory or establishment with a Head Post Office, or with the authorised Banks in which the amounts recovered by them from month to month will be credited in lump. Detailed instructions on this point will be issued separately.

4. It has also been decided to waive the requirement for getting an application form filled by individual employees. As the only purpose of the application form was to establish a direct link between the depositor and the Post Office, or any other authorised office where the account is maintained, to facilitate withdrawal of the amount, and as withdrawal is ordinarily permissible only after five

years, it is not considered necessary to delay or complicate the opening of accounts by getting applications individually filled at this stage. Accordingly, the employers can get the accounts opened in the name of their individual employees by applying to the deposit offices.

5. The facilities outlined above will materially reduce the pressure of work at Post Offices and other authorised offices and minimise inconvenience to individual depositors as well as to employers who have the responsibility of collecting these deposits from a large number of employees.

6. Attention of the employees is invited to Section 5(4) of the Compulsory Deposit Scheme Act, 1963, under which the schemes framed under the Act shall have effect notwithstanding anything contained in any law for the time being in force other than this Act or in any instrument having effect by virtue of any law other than this Act. This provision was specifically made to overcome the difficulties that might otherwise have arisen as a result of the application of other Acts or Rules or Schemes framed under them. It would, therefore, follow that the liability imposed on the employers under the Compulsory Deposit (Employees) Scheme for deducting the deposits from the salaries payable to their employees and for remitting them for credit to the Deposit Office shall over-ride the provisions of the Payment of Wages Act. The employers need not therefore have any fears about the contravention of the Payment of Wages Act in this matter.

7. A question has been raised if it is open to the employee to ask for deduction of Compulsory Deposit only once a year when his salary is paid once a month or so. The whole scheme proceeds on the basis that the recovery shall be made by the employer before paying the salary to his employee. It is therefore not correct to assume that it is open to the employee to ask for a deduction only once in a year nor can a employer accept such requests. It is legal obligation of the employer to effect the recovery of Compulsory Deposit from all salaries payable by him whenever they are paid.

Issues instructions re : Control of Expenditure.

OFFICIAL MEMORANDUM

No. FD 38 RFC 61, DATED BANGALORE, THE 29TH JUNE 1963.

Under the rules governing control of expenditure, issued in Notification No. FD 38 RFC 61, dated 18th June 1963, Heads of Departments and other Chief Controlling Officers also have to furnish, in their monthly pay bills presented at the treasuries, a certificate that the statement of expenditure in Form 62-E/ Abstract of Expenditure/relating to the grants and appropriations under their control as also the certificate of reconciliation due from them, for the 3rd previous month, under Article 346, Mysore Financial Code have been furnished to the Accountant General. This arrangement is intended to ensure that the prescribed process of control of expenditure receives at the hands of these officers the attention it deserves and that this important work is not neglected for any reason. The certificate is designed to act as a gentle reminder to them in this behalf.

2. Heads of Departments and other Chief Controlling Officers should accordingly take suitable steps towards timely completion of this work from month to month in future. They may nominate one of their Assistants for keeping a close watch over the progress of this work according to a time schedule fixed by